



[Home](#) › [Methodologies](#) › [Personal Income in Australia methodology](#) › 2014-15 to 2018-19



This is not the latest release

[View the latest release](#)

Personal Income in Australia methodology

Reference period 2014-15 to 2018-19

Released 17/12/2021

On this page

[How data are collected](#)

[How data are processed](#)

[How data are released](#)

[Data limitations](#)

[Data Concepts](#)

[Comparison with other ABS sources](#)

[Glossary](#)

[Abbreviations](#)

[History of changes](#)

Personal Income in Australia provides regional data on the number of income earners, amounts received, and the distribution of income.

The current release includes data for the five financial years between 2014-15 and 2018-19. It covers all persons who interacted with the Australian taxation system during this period and for whom personal income is identified. Information for earlier years back to 2011-12 can be found in previous releases of Personal Income in Australia.

How data are collected

This release is compiled from the [Linked Employer-Employee Dataset \(LEED\) \(/about/data-services/data-integration/integrated-data/linked-employer-employee-database-leed\)](#), which

is built using Australian Tax Office (ATO) administrative data linked to ABS [Business Longitudinal Analytical Data Environment \(BLADE\)](#) ([/about/data-services/data-integration/integrated-data/business-longitudinal-analysis-data-environment-blade](#)).

Scope and coverage of LEED

The LEED is a rich dataset that includes about 18 to 20 million job records each financial year since 2011-12 and contains over 150 million individual records over the period 2011-12 to 2018-19.

The LEED covers all persons who either:

- submitted an individual tax return (ITR); or
- individuals who had a Pay As You Go (PAYG) payment summary issued by an employer and then remitted to the ATO.

Employees who did not submit a tax return and have not provided their Tax File Number to their employer will not appear in the LEED. Owner managers of unincorporated enterprises (OMUEs) who did not submit an ITR are also excluded.

Data sources

The LEED incorporates:

- employer level data that include the ABS's BLADE data and the [ABS Business Register](#) (<https://www.abs.gov.au/ausstats/abs@.nsf/dossbytitle/AC79D33ED6045E88CA25706E0074E77A?OpenDocument>) data supplied by the Registrar of Australian Business Register (ABR) to the ABS under A New Tax System (Australian Business Number) Act 1999 - which requires that such data is only used for the purpose of carrying out functions of the ABS; and
- person level ITR data, job level PAYG payment summary data and Client Register (CR) data supplied by the ATO to the ABS under the Taxation Administration Act 1953 - which requires that such data is only used for the purpose of administering the Census and Statistics Act 1905.

The data limitations or weaknesses outlined here are in the context of using the data for statistical purposes, and not related to the ability of the data to support the ATO's core operational requirements.

The ABS acknowledges the continuing support of the ATO in compiling these statistics.

How data are processed

Integration method

LEED links jobs to employers; hence employed persons are linked to employers via the jobs they hold.

Before the linkage takes place, an input job level file is created largely based on the PAYG payment summary file. This file is also enhanced with job records derived using ITR information, to cover jobs without payment summary information, such as OMUE jobs. Data quality is enhanced by using occupation information from ITR, and the best available age, sex, and geographic information between the PAYG, ITR and CR data.

Jobs are integrated with the employer by one of two methods. The method is dependent on which ABS Business register population the employer is grouped into.

- Non-profiled population (businesses with a simple structure): a deterministic approach using the Australian Business Number (ABN).
- Profiled population (businesses with a complex structure): a more detailed approach to linking is used, detailed below.

Where an employer is part of the profiled population, the relevant jobs are assigned to the [type of activity units \(https://www.abs.gov.au/ausstats/abs@.nsf/latestproducts/CE8C1B19FB7E6C79CA257B9500133D5F?opendocument\)](https://www.abs.gov.au/ausstats/abs@.nsf/latestproducts/CE8C1B19FB7E6C79CA257B9500133D5F?opendocument) based on a logistic regression model developed using 2016 Census data. The model references independent variables common to both Census and personal income tax data, including sex, age, occupation, and region of usual residence. These are used to predict the industry of employment, which conceptually aligns to a type of activity unit.

Where an employee has multiple job relationships with the same reporting ABN in an [enterprise group \(https://www.abs.gov.au/ausstats/abs@.nsf/latestproducts/CE8C1B19FB7E6C79CA257B9500133D5F?opendocument\)](https://www.abs.gov.au/ausstats/abs@.nsf/latestproducts/CE8C1B19FB7E6C79CA257B9500133D5F?opendocument), each job relationship is assigned to the same type of activity unit.

Based on the model, each job record is assigned a probability of being in any of the type of activity units present in the employing enterprise group. Iterative random assignment is undertaken using these probabilities until employment benchmarks are met. Benchmarks are based on Quarterly Business Indicators Survey (QBIS) data where a unit is in scope. Otherwise, BLADE employment levels are substituted where possible, otherwise no benchmarking is done.

The above process is applied to link the different input datasets for each financial year. Records have not been integrated across years and therefore, the LEED is a cross-sectional database and is not longitudinal.

ABS data integration practices comply with the High-Level Principles for Data Integration Involving Commonwealth Data for Statistical and Research Purposes. For further

information see - [Keeping integrated data safe \(/about/data-services/data-integration/keeping-integrated-data-safe\)](/about/data-services/data-integration/keeping-integrated-data-safe).

Component datasets

The LEED consists of three cross-sectional files: person, job and employer. The LEED is not longitudinal and each file is for a single financial year.

The person file

Each person file contains data for all persons who either submitted an ITR or who were identifiable on a payment summary in the reference year. Each record includes de-identified demographic and geographic data, and aggregate income information.

Employed persons may be either employees (including owner manager of incorporated enterprises or OMIEs), OMUEs, or both. Employees are identified by the presence of aggregate employee income and at least one linked employee job.

Employees who have not submitted an ITR but who have provided their Tax File Number to their employer are imputed from PAYG payment summary data.

OMUEs are identified by the presence of any of the own unincorporated business income types and a linked OMUE job.

Tax lodgers who are not employees or owner managers are included on the person file to support statistical analysis that requires a more complete view of the tax lodger population.

The business file

In the LEED, an employer is identified when a job has been linked to any legal entity in the non-profiled population or any type of activity unit in the profiled population.

The business file contains business units present in BLADE that could be linked to a job, as well as unincorporated entities. Some unincorporated entities are identified in personal income tax data and are not otherwise included in BLADE or cannot be identified in BLADE. Industry and several other employer variables are not available for these unincorporated entities, except for the ones in 2017-18 or later year data who reported industry information in their ITR.

The jobs file

The jobs file is a complete list of the job relationships held at any time during the reference

year. It is constructed primarily from PAYG payment summary data. PAYG payment summaries describe the payments made to an individual by an employer within a financial year. Conceptually, payment summary data should include most employee/employer job relationships. OMUE jobs are derived from ITR data and added to the jobs file, some of these link to businesses in BLADE.

The LEED jobs file does not capture voluntary jobs and unpaid contributing family worker jobs.

Synthetic records

In some cases, a synthetic employee job record has been created based on information in the person file. This has occurred when a person has recorded wage or salary information that cannot be identified in payment summary data. Sometimes, an employee job may not be able to be linked to an employing organisation due to reporting errors or missing information.

Multiple job holding

A person can hold several jobs during the year, either concurrently (as a multiple job-holder) or consecutively. For a person who is an employee of several employers, each relationship is listed as a separate job. Due to data limitations, only one self-employment job can be recorded for any OMUE even if a person owns and manages more than one enterprise. An OMUE can hold other jobs as an employee.

Data on multiple job holders can also be found in the Labour Account Australia, however there are a number of differences between the two sources. For a full description of these differences, see Multiple Job Holders.

Job treatments

PAYG payment summary start and end dates are used to

- determine the start and end of a job relationship,
- identify concurrent job-holding, and
- determine the duration of the job.

These dates are known to have high measurement error rates, which are likely to inflate job and concurrent job counts. Some of this error may be due to misinterpretation and recording errors, but it is also expected that payroll system and report design have an influence.

Some treatments have been applied to address over counts of jobs or concurrent job-holding, including:

- In cases where a person has received several PAYG payment summaries from the same employer, and the time between the end of the first payment summary and the start of the next payment summary is 31 days or less, this is counted as a single job.
- In cases where a person has received several PAYG payment summaries from different employers, they are only considered to be concurrent if they overlap by more than 31 days.
- In cases where a person has more than 10 jobs, those within the same industry sub-division (2-digit ANZSIC industry) are counted as a single job in the 2011-12 to 2016-17 data. From 2017-18 reference year, a lower level of industry classification - those within the same industry class (4-digit ANZSIC industry), was used to collapse jobs. This change has improved data quality but has brought in a negligible increase to the number of total jobs reported compared with reported numbers in the old approach.

These treatments are aimed at minimising the impact of administrative errors while also reflecting a reasonably accurate view of differing job structures.

Privacy and confidentiality

Legislative requirements ensuring the privacy and secrecy of these data have been adhered to. In accordance with the Census and Statistics Act 1905, results have been confidentialised to ensure they are not likely to enable identification of a particular person or organisation. All personal information is handled in accordance with the [Australian Privacy Principles](https://www.oaic.gov.au/privacy/australian-privacy-principles) (<https://www.oaic.gov.au/privacy/australian-privacy-principles>) contained in the Privacy Act 1988.

All personal income tax statistics were analysed in de-identified form with no home address or date of birth included in LEED input files. Addresses were coded to the Australian Statistical Geography Standard and date of birth was converted to an age at 30 June of the reference year prior to data provision.

To minimise the risk of identifying individuals in aggregate statistics, perturbation has been applied. Perturbation involves small random adjustment of the statistics and is considered the most satisfactory technique for avoiding the release of identifiable statistics, while maximising the range of information that can be released. These adjustments have a negligible impact on the underlying pattern of the statistics. Some cells have also been suppressed due to low counts.

How data are released

Personal Income in Australia is one of two LEED releases and provides aggregate data for

Australia, states and territories, and over 2,200 regions, as classified in the Australian Statistical Geography Standard (ASGS), including at the Statistical Area 4 (SA4), Statistical Area 3 (SA3), Statistical Area 2 (SA2), Local Government Area (LGA) and Greater Capital City Statistical Area (GCCSA) levels.

The current release includes data for the five financial years between 2014-15 and 2018-19, while information for earlier years back to 2011-12 can be found in previous releases.

The other LEED release is [Jobs in Australia \(/statistics/labour/earnings-and-work-hours/jobs-australia/latest-release\)](#), which also has detailed tables in the TableBuilder format in [Microdata: Jobs in Australia \(https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6160.0.00.001Main+Features1JIA\)](#). The TableBuilder product contains a broad range of data items covered in both Personal Income in Australia and Jobs in Australia. It is a rich source of information for data users interested in making customised analysis tables.

Data limitations

Personal Income in Australia is subject to the following sources of error:

- Conceptual misalignment. The Australian tax system is purpose-built and complex, and in some cases it is difficult to determine how a particular income tax item should be used to describe income standards, and in some cases the item can be a partial conceptual match. While all care is taken, some income items are subject to this type of validity error. Coherence with other sources indicates that this has a low impact on aggregate series.
- Measurement error. This is likely to be present in both person and employer information used. Most measurement error is unable to be determined or corrected; however, coherence with other similar statistics demonstrates that the error amount is small, and this has a low impact on aggregate series.
- Incomplete information. Sometimes, Individual Tax Returns are not lodged, or not all items (e.g. occupation) are completed. The ABS advises caution when interpreting data subject to high rates of missing information.

Data Concepts

A summary of the major concepts presented in this release are as follows:

Personal income

All monetary values are presented as gross pre-tax dollars, wherever possible. This means they reflect income before deductions and losses, and before any taxation or levies (e.g. the Medicare levy or the temporary budget repair levy) are applied. The amounts shown are

nominal and have not been adjusted for inflation.

Personal income is provided for the following five categories:

- Employee income
- Own unincorporated business income
- Investment income
- Superannuation income
- Total income

Employee income

Employee income is the total (or gross) income received as a return for labour from an employer or from a person's own incorporated business (when they are employed by this business). The data used in deriving employee income comes from both ITRs and payment summaries (where an individual has not lodged an ITR).

Employee income includes the following data items from the payment summary and /or the ITR:

- Salary or wages
- Allowances, earnings, tips, director's fees
- Employer lump sum payment amount A
- Employer lump sum payment 5 per cent
- Employment termination payments taxable component
- Attributed personal services income
- Employee share schemes total assessable discount
- Total reportable fringe benefit amount
- Reportable employer superannuation contributions
- Exempt foreign employment income
- Other net foreign employment income

Own unincorporated business income

Own unincorporated business income (or OMUE income) is the profit or loss that accrues to owners of, or partners in, their own unincorporated businesses. Profit or loss is the value of the gross output of the enterprise after the deduction of operating expenses, including reportable superannuation contributions, depreciation and operating costs, but before income tax is taken out. Losses occur when operating expenses are greater than receipts and are treated as negative income.

Own unincorporated business income includes the following data items on the ITR:

- Net income or loss from business primary production

- Net income or loss from business non primary production
- Distribution from trusts primary production
- Net personal services income
- Distribution from partnerships less foreign income non primary production
- Distribution from partnerships primary production

These data exclude distributions from trusts for non-primary production activities as this may include aspects of investment income. It also excludes the income of working directors/owners of incorporated businesses who are classified as employees; consequently their income is included under Wage and salary income.

"Net personal services income" does not include income a person received as an employee, making it different from "Attributed personal services income".

Own unincorporated business income is conceptually consistent with OMUE income published in [Jobs in Australia. \(/statistics/labour/earnings-and-work-hours/jobs-australia/latest-release\)](https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/jobs-australia/latest-release).

Investment income

Investment income includes the following data items on the ITR:

- Gross interest
- Dividends unfranked amount
- Dividends franked amount
- Dividends franking credit
- Share of net income from trusts less net capital gains and foreign income non primary production
- Franked distributions from trusts - non-primary production
- Australian franking credits from a New Zealand company
- Net foreign rent
- Net rent

Superannuation income

Superannuation income includes the following data items on the ITR:

- Australian annuities and superannuation income streams taxable component taxed element
- Australian annuities and superannuation income streams taxable component untaxed element
- Australian annuities and superannuation income streams lump sum in arrears taxable component taxed element

- Australian annuities and superannuation income streams lump sum in arrears taxable component untaxed element
- Australian superannuation lump sum payments taxed element
- Australian superannuation lump sum payments untaxed element
- Bonuses from life insurance companies and friendly societies
- Assessable First home super saver (FHSS) released amount (from 2018-19)

From 1 July 2007, people aged 60 years and over who receive superannuation income in the form of a lump sum or income stream (such as a pension) from a taxed source, receive that income tax free. Therefore, if a person has no other income, or their total income is below the tax-free threshold, or any tax payable is mitigated by a tax offset (such as Senior Australian Tax Offset), this person is not required to lodge a tax return.

Due to the above reason, the superannuation statistics (persons, income) included in this release are regarded as partial, subject to under-coverage. A more comprehensive snapshot of superannuation income (at aggregate state/territory level) can be obtained from the ABS Survey of Income and Housing - see [Household Income and Wealth, Australia \(/statistics/economy/finance/household-income-and-wealth-australia/latest-release\)](https://www.abs.gov.au/statistics/economy/finance/household-income-and-wealth-australia/latest-release).

Other income

Other income comprises income items reported on the individual income tax return that were not allocated to one of the above categories. For example, Other income can include transfer or trust income, controlled foreign company income, net foreign pension and annuity income, and foreign investment and life insurance income.

Other income is not published separately as it does not provide a reliable view of the category. It is included in total income.

Other income includes the following data items on the ITR:

- Foreign source income net foreign pension or annuity (without Undeducted Purchase Price)
- Foreign source income net foreign pension or annuity (with Undeducted Purchase Price)
- Foreign entities controlled foreign company income
- Foreign entities Transfer or trust income
- Foreign source income other net foreign source income
- Other income category 1
- Other income category 2

Total income

Total Income is the sum of all reported income derived from Employee income, Own unincorporated business, Superannuation, Investments and Other income, as defined above. Total income does not include the non-lodger population.

Government pensions, benefits or allowances are excluded from the ABS income data and do not appear in Other income or Total income. Pension recipients can fall below the income threshold that necessitates them lodging a tax return, or they may only receive tax free pensions or allowances. Hence they will be missing from the personal income tax data set. Recent estimates from the ABS Survey of Income and Housing (which records Government pensions and allowances) suggest that this component can account for between 9% to 11% of Total income.

Counts of individuals

Individuals may receive income from several sources. Also, net income from a specific source may be positive or negative. For example, an individual may have positive income from Employee income yet negative net income from Investments. The number of individuals for each income source includes all persons with either positive or negative net income from that source.

The total number of individuals in receipt of income from at least one source cannot be calculated as the sum of the individuals in each income category, as people can have more than one source of income in any given year. For example, an individual could derive income from multiple sources such as Employee income, Investment income and income from their own unincorporated business and thus contribute to the regional person count in all three income categories.

Geography

All geographic variables are based on a person's home address as reported on their ITR form. Addresses are coded to the Australian Statistical Geography Standard (ASGS).

In this release, the names and boundaries of all states and territories, GCCSAs, SA4s, SA3s, and SA2s are based on or concurred to the 2016 edition of [ASGS: Main Structure and Greater Capital City Statistical Areas \(https://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/1270.0.55.001July%202016?OpenDocument\)](https://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/1270.0.55.001July%202016?OpenDocument); those of all LGAs are based on or concurred to the 2018 edition of [ASGS: Non ABS Structures \(https://www.abs.gov.au/AUSSTATS/abs@.nsf/allprimarymainfeatures/70219E21845F2467CA2584470025C318?opendocument\)](https://www.abs.gov.au/AUSSTATS/abs@.nsf/allprimarymainfeatures/70219E21845F2467CA2584470025C318?opendocument).

If a geography variable is missing on the ITR, if possible it is imputed from the individual's

most recent PAYG payment summary.

Details of income earners from regions unknown (not stated or indeterminate) or who are lodging returns from overseas are included in the totals shown. Persons living in Other territories are not published separately but included in the national totals. Therefore, the totals in each table may not necessarily be the sum of their components.

Gini coefficient

Simple measures of income distribution such as mean, median, percentile ratios and income shares can provide an indication of differences in the income distributions of two separate regions. However, none of the simple measures comprise a single statistic that summarises the whole income distribution in a way that directly considers the individual incomes of all regions. In this release, the Gini coefficient is used to compile a single statistic of inequality by summarising the distribution of income across the population in each region.

The Gini coefficient is provided here for Total income. This is a single statistic that lies between 0 and 1 and is a summary indicator of the degree of inequality in income between members of the tax form lodging population. Values closer to 1 represent greater inequality.

The Gini coefficients shown in this release can be regarded as indicative but not definitive. They should not be directly compared with other ABS published Gini coefficients. The Gini coefficients presented in this release are calculated from gross personal income and not from equivalised disposable income as presented in Household Income and Wealth, Australia. There is also an acknowledged under-coverage of certain income groups in taxation data due to tax exemptions, and people being under the tax free threshold. For instance, persons aged 60 years and over who are mostly dependent on superannuation income and those mostly reliant on government pensions and allowances may be missing from the tax data.

In addition, gross personal income can be reported by an individual as a negative amount. In a few regions, negative income is distorting the calculation of the Gini coefficients. For this reason, any Gini coefficients that have been calculated to be equal to or greater than 0.9 have been suppressed.

Main source of income

The income source from which a person derives most of their (positive) income. For a stated income type, this measure reflects the proportion of all persons in a region for whom the income type is their main source of income.

If a region is particularly reliant on one source, it may be susceptible to policy or economic changes that affect that income type.

As there are several types of income, the main source may account for less than 50% of total income. Where persons receive the same amount across multiple income types, they have been excluded from the derivation of this indicator. Persons with negative or nil total income have also been excluded.

Non-lodgers

Non-lodgers are individuals who do not lodge a tax return. However, this population may have income that is in scope of this release. This can include persons who receive an income below certain levels or derive their income from some Commonwealth of Australia Government pension, benefit and allowance payments that are exempt from income tax. Their absence should be taken into consideration when interpreting these statistics.

Because the LEED contains information about jobs sourced from PAYG payment summaries, we are able to impute income information for non-lodgers who are employees.

Non-lodgers are included in the Employee income category, except where cross-classified with age and sex. Previously, age and sex were unavailable for non-lodgers. While this information is now available for non-lodgers from the LEED, they remain excluded from the following table to ensure consistency with previous results.

- Table 4 Employee income by age and sex 2014-15 to 2018-19.

Non-lodgers are excluded from the Total income category in all instances.

Taxation and superannuation policy changes

Taxation and superannuation policy changes may impact on both scope of personal income covered by the LEED and the actual income amount.

Taxation threshold change

In 2012-13, the tax-free threshold was increased by \$6,000 to \$18,200. This appeared to result in less people needing to lodge a tax return, therefore less people with non-employee income being covered in LEED.

First home super saver scheme (FHSS)

From 2017-18, people can make voluntary contributions into their super funds. The contributed amount and associated earnings can then be released from 2018-19 to eligible

applicants to help the purchase of their first homes. This scheme is expected to lead to higher employee income (through the 'reportable employer superannuation contributions' component) since 2017-18, and higher reported superannuation income (through the 'FHSS released amount' component) since 2018-19.

The ABS encourage users of the data to research policy changes that may impact in the comparability of the data year to year. For more information on taxation policy change, the ATO publishes changes in their Taxation Statistics publications.

Comparison with other ABS sources

Comparison with ABS income data from the Survey of Income and Housing

Statistics in this release are produced using administrative data sourced from the Australian Taxation Office. The ABS also produces household income and wealth estimates collected directly from households via the Survey of Income and Housing (SIH).

The SIH collects information on sources of income, amounts received and the characteristics of persons aged 15 years and over in private dwellings throughout Australia. Since 2003-04, the SIH has been conducted every two years, with the most recent relevant snapshots being the 2011-12, 2013-14, 2015-16 and 2017-18 income years. Additional SIH estimates of annual income have been produced for the survey gap years up until 2014-15 using previous financial year information collected in each survey. For further information about the concepts, definitions, methodology and estimation procedures used in the SIH, please refer to [Survey of Income and Housing, User Guide \(https://www.abs.gov.au/ausstats/abs@.nsf/mf/6553.0\)](https://www.abs.gov.au/ausstats/abs@.nsf/mf/6553.0).

SIH employee income includes all payments received by individuals as a result of their current or former involvement in paid employment. In addition to the regular and recurring cash receipts captured by SIH, employee income also includes non-cash benefits, bonuses, termination payments and payments for irregular overtime. Details of the composition of employee income derived from ATO sources are provided in 'income variables' below.

Table 2 below presents a selection of reasonably comparable income data items, sourced from ATO and the SIH, for 2013-14, 2015-16 and 2017-18.

Table 2 - Selected sources of income, PliA and SIH data, 2013-14, 2015-16 and 2017-18

	PliA 2013-14 \$b	SIH 2013-14 \$b	PliA 2015-16 \$b	SIH 2015-16 \$b	PliA 2017-18 \$b	SIH 2017-18 \$b
Employee income	648.8	679.4	724.9	729.0	787.3	781.6
Own unincorporated business income	45.3	47.7	50.6	43.8	53.9	53.0
Investment income	79.5	73.2	81.6	56.4	88.9	87.2
Superannuation income	10.7	31.4	11.7	41.2	11.8	46.1

Differences in collection methodologies, data collection/extraction periods, definitions, scope/coverage etc., can all contribute to variations between PliA and SIH income data. Also, as mentioned before, SIH presents data for low income households whereas the PliA series may be missing some individuals with low incomes (for example those earning under the \$18,200 tax free threshold) because they may not need to lodge tax returns.

Since changes were applied to the reporting of superannuation income in 2007, the SIH estimate is thought to provide a more accurate, complete indication of the level of income derived from Superannuation. However, the SIH estimates only include superannuation pension streams and not superannuation lump sum payments.

Differences to other labour statistics

[Labour Account Australia \(/statistics/labour/employment-and-unemployment/labour-account-australia/latest-release\)](#) provides quarterly and annual time series data, consisting of four quadrants: Jobs, Persons, Hours and Payments. The estimates are at the national level. Statistics in Labour Account Australia are sourced from business and household surveys, ABS business register information, defence force information, child workers information and estimates from the ABS Labour Force Survey for contributing family workers.

The Labour Account Payments quadrant accounts for the costs incurred by enterprises in employing labour and the incomes received by people from their labour provision. It can be described as the cost of labour, and reflects the interactions between jobs, people and labour volume (hours worked). The payments data are primarily sourced from the Australian National Accounts.

For more information on the range of different data sources, see [ABS Labour Statistics: A](#)

[broad range of information \(https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/6202.0main+features7Jul%202019\)](https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/6202.0main+features7Jul%202019).

Glossary

Show all

Age

Age of person as at 30 June of the reference year.

Annuities

Annuities are guaranteed regular and recurring receipts, generally from an insurance company, the right to which was purchased with a lump sum or regular contributions at some point in the past. Annuities are included in Superannuation income.

Assets

An entity of a financial or non-financial nature, owned by the household or its members, and from which economic benefits may be derived by holding or use over a period of time.

Disposable income

Gross income less income tax, the Medicare levy and the Medicare levy surcharge i.e. remaining income after taxes are deducted, which is available to support consumption and/or saving. Disposable income is sometimes referred to as net income.

Dividends

Dividends may be the main source of income for people who run their own incorporated business. They can be:

- 'franked' which are shares of company profit paid or credited by an Australian resident public company from profits on which Australian company tax has been paid, or
- 'unfranked' which are those shares of company profit paid by an Australian resident company from profits on which Australian company tax has not been paid.

Earners

Persons (including children) who receive income (either positive or negative) from an income type.

Employee

Persosn who works for an employer and receive pay in the reference period in the form of

wages or salaries, a commission while also receiving a retainer, tips, piece rates or payments in kind. In this release, persons who operated their own incorporated enterprises are also included as employees.

Employee income

An employee's total remuneration, whether monetary or in kind, received as a return to labour from an employer or from a person's own incorporated business. It comprises wages and salaries, bonuses, amounts salary sacrificed, non-cash benefits such as the use of motor vehicles and subsidised housing (where valued over a certain threshold), and termination payments.

Financial assets

An asset whose value arises not from its physical existence (as would a building, piece of land, or capital equipment) but from a contractual relationship. Financial assets are mostly financial claims (except for shares and value of own unincorporated business). Financial claims entitle the owner to receive a payment, or a series of payments, from an institutional unit to which the owner has provided funds. Examples include accounts held with financial institutions (including offset accounts), ownership of an incorporated business, shares, debentures and bonds, trusts, superannuation funds, and loans to other persons.

Gini coefficient

A summary measure of inequality of income distribution. It is a single statistic that lies between 0 and 1 and is a summary indicator of the degree of inequality in income between members of the tax form lodging population. Values closer to 1 represent greater inequality.

Government pensions and allowances

Income support payments from government to persons under social security and related government programs. Included are pensions and allowances received by aged, disabled, unemployed and sick persons, families and children, veterans or their survivors, and study allowances for students.

Greater Capital City Statistical Area (GCCSA)

GCCSAs are designed to represent the functional extent of each of the eight State and Territory capital cities. They include the people who regularly socialise, shop or work within the city, but live in the small towns and rural areas surrounding the city. GCCSAs are not bound by a minimum population size criterion. GCCSAs are built from SA4s.

Gross income

Income from all sources, whether monetary or in kind, before income tax, the Medicare

levy, the Medicare levy surcharge, and the temporary budget repair levy are deducted.

Income share

Income share is the percentage of total income held by the top 1%, 5% and 10% of all earners in a region. The aggregate income of the units in each percentile is divided by the overall aggregate income of the entire population to derive income shares.

Income type

Also described as income source.

This describes the income based on the source from which it is received. The income types are as follows: total income, employee income, investment income, own unincorporated business, superannuation, other.

Individual Tax Return

The annual tax return submitted by individuals to the Australian Taxation Office.

Investment income

Income received as a result of ownership of assets. It comprises returns from financial assets (interest, dividends), and from non-financial assets (rent).

Linked Employer-Employee Dataset (LEED)

A LEED is any dataset that integrates information about employers and their employees. The LEED used to compile this release includes cross-sectional employer, person and job files that integrate personal income tax data with employer information from the Business Longitudinal Analytical Data Environment.

Local Government Area (LGA)

These areas are the spatial units which represent the geographical areas of incorporated local government councils. LGAs include sub categories such as Cities (C), NSW Local Government Areas (A), Boroughs (B), Rural Cities (RC), Towns (T), Shires (S), District Councils (DC), Municipalities (M), SA Municipal Councils (M), SA Regional Councils (RegC) and Qld Regional Councils (R). Data are presented for LGA boundaries at 2018.

Main source of income

The income source from which a person derives most of their (positive) income. For a stated income type, this measure reflects the proportion of all persons in a region for whom the income type is their main source of income.

Medicare levy

The Medicare levy is a specific tax based on individual income.

Medicare levy surcharge

The Medicare levy surcharge is a levy, or an additional tax, on some Australian taxpayers.

Negative income

Income may be negative when a loss accrues to an individual as an owner or partner in unincorporated businesses, rental properties or other investment income. Losses occur when operating expenses and depreciation are greater than gross receipts.

Non-lodger

A persons who did not lodge an Individual Tax Return (ITR) but who received income from at least one source. Non-lodger employees are identified in the Linked Employer-Employee Dataset (LEED) and accounted for in this release.

Other income

Income other than employee income, own unincorporated business income, investment income and superannuation income. This includes other current receipts from sources such as child support, royalties, workers' compensation and scholarships.

Own unincorporated business income

The profit/loss that accrues to persons as owners of, or partners in, unincorporated businesses. Profit/loss consists of the value of gross output of the business after the deduction of operating expenses (including depreciation). Losses occur when operating expenses are greater than gross receipts and are treated as negative income.

Personal Income Tax (PIT)

An aggregate term for tax paid by individuals. PIT data includes information collected from Individual Tax Returns (ITR) and PAYG payment summaries, as well as information on the Australian Taxation Office's Client Register.

Pay As You Go (PAYG) payment summary

The annual summary provided by an employer to the Australian Taxation Office with respect to an employee, as part of the Pay As You Go taxation system. It records job level information reported by employers about the payments made to an employee. This is the primary component of the Linked Employer-Employee Dataset (LEED) job file and is used to identify, and as a source of information about, non-lodgers.

Percentile ratios

Percentile ratios summarise the relative distance between two points in a distribution. They are expressed as the value of the quotient (the left percentile divided by the right percentile). For example a P80/P20 ratio of 2.3 means that persons in the 80th percentile have 2.3 times the income of persons in the 20th percentile.

Ratios near the extremes of the distribution (e.g. P80/P20) illustrate the full spread of the income distribution, while those near only one extreme (e.g. P80/P50) compare one ends of the income distribution with the midpoint.

Percentiles

Percentiles are a measure of the distribution of a variable. When all persons in the population are ranked from the lowest to the highest on the basis of the variable (such as total income), they can then be divided into 100 equal sized groups. The highest value in each group is reported as P_x , where x is the percentile number. For example, the highest value of total income in the twentieth percentile is denoted P20. The median, or the top of the 50th percentile, is denoted P50.

Personal income

Personal income consists of all annual receipts that are received by an individual and refers specifically to income received by persons, not businesses. Personal income is categorised into several income types.

Positively skewed income distribution

The distribution of income tends to be asymmetrical, with a small number of people having relatively high incomes and a larger number of people having relatively lower incomes. The greater the asymmetry, the greater the difference there will be between the mean and the median, and the more positively skewed the income distribution is said to be.

Quartiles

Groupings that result from ranking all people in the population in ascending order according to some characteristic such as their personal income and then dividing the population into four equal groups, each comprising 25% of the estimated population.

Sex

The self reported sex of a person as recorded by the Australian Tax Office. Binary coding to female and not female is undertaken for privacy and confidentiality purposes.

Shares

A share is a contract between the issuing company and the owner of the share which gives

the latter an interest in the management of the corporation and the right to participate in profits. The "value of shares" excludes the value of shares held by individuals in their own incorporated business. Such shares are included in "value of own incorporated business".

Statistical area level 2 (SA2)

The smallest geographical region used in this release. SA2s regions aim to represent a community that interacts together socially and economically. They are generally designed to be within the population range 3,000 to 25,000 persons, and on average have a population of approximately 10,000 persons.

Statistical area level 3 (SA3)

Geographical areas built from whole SA2s, which are designed for statistical output purposes and to provide a regional breakdown of Australia. SA3s regions create a standard framework for the analysis of ABS data at the regional level that have similar regional characteristics, administrative boundaries or labour markets. SA3s generally have populations between 30,000 and 130,000 persons.

Statistical area level 4 (SA4)

Geographical areas built from whole SA3s, SA4 regions are specifically designed to reflect labour markets within each state and territory within population limits. In regional areas, SA4s tend to have lower populations (100,000 to 300,000), while in metropolitan areas, SA4s tend to have larger populations (300,000 to 500,000).

Superannuation (and annuities) income

Superannuation is a long-term savings arrangement which operates primarily to provide income for retirement.

Superannuation income includes income from annuities and private pensions such as allocated pensions.

Temporary budget repair levy

In 2014-15, the government introduced a temporary budget repair levy. Individual taxpayers with a taxable income of more than \$180,000 per year have additional tax payable.

Trusts

Any type of managed fund which involves the pooling of investors' money in order for a trustee or professional manager to administer that fund. Examples include; listed and unlisted public unit trusts, cash management trusts, property trusts and family trusts used only for investment purposes.

Unincorporated business

A business in which the owner(s) and the business are the same legal entity, so that, for example, the owner(s) are personally liable for any business debts that are incurred. The business may be registered (in their own state) as a sole trader, partnership or firm; however they are not registered with the Australian Securities and Investments Commission and are not legally a company.

Abbreviations

[Show all](#)

A	Area
ABR	Australian Business Register
AC	Aboriginal Council
ASGS	Australian Statistical Geography Standard
ATO	Australian Taxation Office
B	Borough
BLADE	Business Longitudinal Analysis Data Environment
C	City
DC	District Council
EoPI	Estimates of Personal Income
GCCSA	Greater Capital City Statistical Area
ITR	Individual Tax Return
LGA	Local Government Area
M	Municipality/Municipal Council
OUB	Own Unincorporated Business
PIT	Personal Income Tax
PAYG	Pay As You Go
R	Regional Councils
RC	Rural City
S	Shires
SA2	Statistical Area Level 2
SA3	Statistical Area Level 3
SA4	Statistical Area Level 4
SIH	Survey of Income and Housing
T	Town

History of changes

This release was previously known as Estimates of Personal Income for Small Areas, and later renamed and restructured to Personal Income in Australia.

Data from 2010-11 is not sourced from the LEED and is available in previous editions of Estimates of Personal Income for Small Areas. Information for the period between 2011-12 and 2013-14 can be found in previous releases of Personal Income in Australia.

Data for previous years have not been revised.

